

persons whatsoever, united or to be united in covenants or partnership, exceeding the number of six persons, in that part of Great Britain called England, to borrow, owe, or take up any sum or sums of money on their bills or notes, payable at demand, or at any less time than six months from the borrowing thereof." This clause was repeated in 1716, when the usury laws were suspended as to the Bank of England and the directors were authorized, "at their own good liking" to borrow or take up money at any rate of interest they pleased. The conception of banking at this time involved necessarily the privilege of issuing circulating notes, and it was determined to close all loop-holes in this matter upon the renewal of the charter in 1742. It was accordingly provided (15 George II., c. 13, s. 5) :

And to prevent any doubts that may arise concerning the privilege or power given by former Acts of Parliament, to the said Governor and Company of exclusive banking, and also in regard to the erecting of any other bank or banks by Parliament, or restraining other persons from banking during the continuance of the said privilege granted to the Governor and Company of the Bank of England, as before recited, it is hereby further enacted and declared, by the authority aforesaid, that it is the true intent and meaning of the Act that no other bank shall be erected, established or allowed by Parliament, and that it shall not be lawful for any body politic or corporate whatsoever, erected or to be erected, or for any other persons whatsoever, united or to be united, in covenants or partnership, exceeding the number of six persons, in that part of Great Britain called England, to borrow, owe, or take up any sum or sums of money, on their bills or notes, payable at demand, or at any less time than six months from the borrowing thereof during the continuance of such said privilege of the said Governor and Company, who are hereby declared to be and remain a corporation with the privilege of exclusive banking, as before recited.

This limitation upon the power of other corporations did not prevent the issue of promissory notes and checks; nor did it prevent the issue of bank-notes by individuals and firms of not exceeding six persons. The opportunity which, this afforded for the creation of joint stock banks of discount and deposit was not understood and availed of till